Tan Kim Hock Product Centre Sdn Bhd & Anor v Tan Kim Hock Tong Seng Food Industry Sdn Bhd

FEDERAL COURT (PUTRAJAYA) — CIVIL APPEAL NO 02–6–02 OF 2016(W)

RAUS SHARIF CHIEF JUSTICE, RICHARD MALANJUM CJ (SABAH AND SARAWAK), ZAINUN ALI, ZAHARAH IBRAHIM AND BALIA YUSOF FCJJ

28 NOVEMBER 2017

Trade Marks — Trade description — Ex parte orders — Similar and confusing marks — Whether there was abandonment or non-use of registered trademark — Whether there was disclosure of exclusive ownership to unregistered mark — Whether there was abuse of process — Whether there were concurrent users of various marks — Trade Descriptions Act 2011 s 9

The respondent ('TKTS Food Industry') obtained ex parte from the High Court three trade description orders ('the TDO') pursuant to s 9 of the Trade Descriptions Act 2011 ('the Act'). The TDO were in respect of three products and was to the effect that the products sold, promoted and/or offered for sale in the market by someone or any firm which was not authorised by TKTS Food Industry, using the trademark depicting the letter 'T' in red together with a coconut tree where in the middle of the coconut tree was the letter 'S' ('the trademark') and having the packaging which was confusingly similar with TKTS Food Industry's packaging in terms of colour, shape and details on the packaging, was not TKTS Food Industry's product and therefore it was declared an imitation product bearing a false trade description. The appellants filed an application, seeking leave to intervene in the proceedings and, inter alia, applied to set aside the ex parte orders granted by the court to the respondent. The appellants were allowed to intervene but their application to set aside the ex parte orders was dismissed by the High Court. The appellants appealed to the Court of Appeal and presented the same issues but the appeal was dismissed. Hence the present appeal. The issues that arose were: (a) whether a TDO could be applied for on an ex parte basis under s 9 given the criminal consequences imposed by the order; (b) whether s 9 empowers the High Court to determine and declare goods as imitation goods whether on an ex parte basis or at all; (c) whether s 9 applied to enforce a registered trademark that had admittedly not been in use for a long period or abandoned in its use; and (d) whether s 9 would be invoked when the unregistered trademarks are common law marks and subject to concurrent use by both parties.

Held, dismissing appeal:

(1) The practice that has developed among practitioners in an application for a TDO under s 9 of the Act has been by way of an ex parte application. There is nothing wrong or illegal in such practice. It is permissible in law. An ex parte order could always be set aside and a court is not functus officio to review a TDO obtained ex parte although perfected. The right of an affected person to apply to set aside an ex parte TDO is a right which exists over and above the other civil remedies available to him (see paras 57–59).

(2) Section 9(1) of the Act is not a stand alone provision and must not be read in vacuo. Sections 8(2) and (3) of the Act speak of any person applying, offering to supply, exposing for supply or having in his possession custody or control for supply any goods bearing a false trade description. It must therefore follow, that goods bearing a false trade description, are goods which are not the original. Thus imitation goods. When the court declares that a particular mark is a false trade description, it must have reference to particular goods that bear or use that infringing mark. Thus, stripped of its legal niceties, when a court pronounces that there is an infringement, that is in effect to declare that the goods bearing or using that mark are imitation goods (see paras 68–70).

(3) Both the courts below did not make any determination on the issue of concurrent usage of the unregistered trademarks as the matter was still pending in another court. The court declined to answer the question posed. The answer to both questions 1 and 2 were in the affirmative, and the court declined to answer questions 3 and 4 (see paras 76–77).

[Bahasa Malaysia summary

Responden ('TKTS Food Industry') memperoleh ex parte daripada Mahkamah Tinggi tiga perintah perihal dagangan ('PPD') bawah s 9 Akta Perihal Dagangan 2011 ('Akta'). Perintah perihal dagangan ini berkenaan tiga produk dan memberi kesan bahawa produk yang dijual, dipromosi atau ditawarkan untuk jualan di pasaran oleh seseorang atau mana-mana firma yang tidak diberi kuasa oleh TKTS Food Industry, menggunakan cap dagangan dengan huruf 'T' bersama-sama dengan pokok kelapa manakala di tengah pokok kelapa terdapat huruf 'S' ('cap dagangan') dan mempunyai pembungkusan yang mengelirukan kerana hampir serupa dengan pembungkusan TKTS Food Industry dari segi warna, bentuk dan butiran pada bungkusan bukan produk TKTS Food Industry dan dengan itu diisytiharkan sebagai produk tiruan yang mempunyai cap dagangan palsu. Perayu-perayu memfailkan satu permohonan, memohon kebenaran untuk mencelah prosiding tersebut dan, antara lain, memohon untuk mengetepikan perintah-perintah ex parte yang diberi oleh mahkamah kepada responden. Perayu-perayu dibenarkan mencelah tetapi permohonan mereka untuk mengetepikan perintah-perintah ex parte ditolak oleh Mahkamah Tinggi. Perayu-perayu merayu pada Mahkamah Rayuan dan mengemukakan isu-isu

yang sama tetapi rayuan terebut ditolak. Oleh itu, rayuan ini. Isu-isu yang timbul adalah: (a) sama ada TDO boleh diguna pakai secara ex parte bawah s 9 melihat pada kesan jenayah yang dikenakan oleh perintah tersebut; (b) sama ada s 9 memberi kuasa kepada Mahkamah Tinggi untuk memutuskan dan mengisytiharkan barang-barang sebagai barang-barang tiruan baik secara ex parte mahupun sama sekali; (c) sama ada s 9 terpakai untuk menguatkuasakan cap dagangan berdaftar yang diakui tidak digunakan bagi tempoh masa yang yang panjang atau diabaikan penggunaannya; dan (d) sama ada s 9 akan dibangkitkan apabila cap dagangan yang tidak berdaftar adalah cap common law dan tertakluk pada penggunaan serentak oleh kedua-dua pihak.

Diputuskan, menolak rayuan:

(1) Amalan yang dipakai oleh pengamal-pengamal dalam permohonan satu TDO bawah s 9 Akta adalah melalui permohonan ex parte. Tiada apa-apa yang salah atau tidak sah tentang amalan ini. Ia dibenarkan bawah undang-undang. Satu perintah ex parte sentiasa boleh diketepikan dan mahkamah functus officio untuk menyemak TDO yang diperoleh ex parte walaupun telah disempurnakan. Hak orang yang terprejudis untuk memohon mengetepikan satu TDO ex parte adalah hak yang wujud melebihi dan melangkaui lain-lain remedi sivil yang ada buatnya (lihat perenggan 57–59).

(2) Seksyen 9(1) Akta bukanlah perintah yang berdiri sendiri dan tidak boleh dibaca *in vacuo*. Seksyen 8(2) dan (3) Akta menyebut tentang mana-mana orang yang memohon, menawarkan untuk membekalkan, membuka untuk membekalkan atau mempunyai, dalam milikan atau kawalannya, bekalan apa-apa barang-barang yang mempunyai cap dagangan palsu. Ini mestilah, oleh itu, bermaksud barang-barang yang mempunyai cap dagangan palsu, adalah barang-barang yang bukan asli. Ini adalah barang-barang tiruan. Apabila mahkamah mengisytiharkan satu-satu cap adalah cap dagangan palsu, ia semestinya merujuk barang-barang yang mempunyai atau menggunakan cap yang melanggar. Oleh itu, melucutkan adat tatatertib undang-undang, apabila satu mahkamah mengisytiharkan bahawa terdapat pelanggaran, ini adalah, secara efektifnya mengisytiharkan bahawa barang-barang tersebut mempunyai atau menggunakan cap tiruan palsu (lihat perenggan 68–70).

(3) Kedua-dua mahkamah bawahan tidak memutuskan tentang isu penggunaan serentak cap dagangan yang tidak berdaftar kerana hal perkara ini masih berjalan di mahkamah lain. Mahkamah enggan menjawab soalan yang dikemukakan. Jawapan bagi kedua-dua soalan 1 dan 2 adalah secara afirmatif dan mahkamah enggan menjawab soalan 3 dan 4 (lihat perenggan 76–77).]

Notes

For cases on trade description in general, see 12(2) *Mallal's Digest* (5th Ed, 2017 Reissue) paras 3080–3103.

Cases referred to

Cooper v The Board of Works for the Wandsworth District (1863) 143 ER 414 (refd)
Corocraft Ltd and another v Pan American Airways Inc [1968] 2 All ER 1059, QBD (refd)
Hu Kim Ai (trading as Geneve Timepiece) & Anor v Liew Yew Thoong (trading as Crystal Hour) [2004] 7 MLJ 590, HC (refd)
In-Comix Food Industries Sdn Bhd v A Clouet & Co (KL) Sdn Bhd [1997] 4 MLJ 71, HC (refd)
Jetaine Corp Sdn Bhd v JC Laboratory Sdn Bhd [2000] 7 MLJ 645; [2000] 4 CLJ 629, HC (refd)
LB Confectionery Sdn Bhd v QAF Ltd; Perbadanan Harta Intelek Malaysia (interested party) & another case [2008] 10 CLJ 264, HC (refd)
Majuperak Tepung Beras Sdn Bhd v Tiga Gajah Cho Heng Sdn Bhd [2001] 3 MLJ 508, CA (refd)
NKM Holdings Sdn Bhd v Pan Malaysia Wood Bhd [1987] 1 MLJ 39, SC (refd)
NV Sumatra Tobacco Trading Co v PT Sampoerna JL Sdn Bhd [1997] 3 CLJ 946, HC (refd)
Nokes v Doncaster Amalgamated Collieries Ltd [1940] AC 1014, HL (refd)
Seaford Court Estates Ltd v Asher [1949] 2 KB 481, CA (refd)
Socooil Corporation Bhd v Ng Foo Chong & Anor [1981] 2 MLJ 7, FC (refd)
Thomas A Edison Limited v Bullock [1912] 15 CLR 679, HC (refd)
Tohtonku Sdn Bhd v Superace (M) Sdn Bhd [1989] 2 MLJ 298, HC (refd)
Twist v Randwick Municipal Council (1976) 136 CLR 106, HC (refd)

Legislation referred to

Capital Markets and Services Act 2007 s 139
Interpretation Acts 1948 and 1967 s 17A
Merchandise Marks Ordinance 1950
Rules of Court 2012 O 29 r (2), O 52 r 3(2)
Sedition Act 1948 s 10(2)
Street and Drainage and Building Act 1974 s 94
Trade Descriptions Act 2011 ss 5, 8, 8(2), (3), 9, 9(1), (2), (4), 16, 16(1)
Trade Marks Act 1976 ss 23(2), 40(1)(a), (1)(c), (1)(dd), (1)(f), 46(1)(a), (1)(b), (4), 82

Appeal from: Civil Appeal No W-02(IM)(IPCV)-482–03 of 2015 (Court of Appeal, Putrajaya)

Jagjit Singh (Cyrus Das, Goh What Singh and Yap Bell Pung with him) (Bell & Lee) for the appellants.
Teo Bong Kwang (Damian Yeo and Melvin Tay with him) (Damian SL Yeo & LC Goh) for the respondent.

Balia Yusof FCJ (delivering judgment of the court):

[1] This appeal centres on the scope and application of s 9 of the Trade Descriptions Act 2011 which empowers the High Court to declare an infringing mark as a false trade description. An order obtained under the aforesaid section, called the trade description order may subject a trader using such infringing mark to prosecution under s 5 of the same. A trade description order was obtained by the respondent in this appeal.

[2] As a background, it would be useful to narrate the facts leading to this appeal in the following chronological order as stated before the learned High Court judge.

[3] The respondent was incorporated in Malaysia in 1975 with its business address at No 153, Wisma Tan Kim Hock, Jalan Laksamana Cheng Ho, Malacca. It was established to manufacture, process, distribute and sell the respondent's products, which products include 'dodol' products.

[4] The founder of the respondent was Mr Tan Kim Hock, who together with his late wife, created the durian dodol, coconut dodol and coconut biscuits. Prior to the establishment of the respondent, Mr Tan Kim Hock and his late wife had been selling the 'dodol' products from house to house since the 1950's.

[5] When their business expanded, the said products were sold at a shop called Syarikat Tong Seng in Bunga Raya, Malacca. Subsequently, the business expanded and came to be known as Tong Seng Product Centre, then 'Perusahaan Tan Kim Hock', and later to Tan Him Hock Tong Seng Sdn Bhd.

[6] In 1976, based on an application by Mr Tan Kim Hock, the trademark application No M/72924 was registered as shown below on 21 September 1976 under Class 30 for 'dodol being a sweet confection made of glutinous rice, kaya, coconut biscuit, coconut candy':

CAP POKOK KELAPA

[7] The same trademark was renewed until 21 September 2021. It is not in dispute that the said trademark has gained recognition, both locally and overseas. The respondent has acquired substantial reputation and goodwill in the said trademark. A

[8] In 2001, Tan Kim Hock Product Centre Sdn Bhd ('the first appellant') was established by Mr Tan Kim Hock. The directors of the first appellant were Mr Tan Kim Hock and Madam Siah Siu Eng, the second appellant. Both Mr Tan Kim Hock and Madam Siah Siu Eng were the shareholders of the first appellant. B C

[9] The first appellant was established to sell and market the 'dodol' products, which were manufactured in the respondent's factories.

[10] In 2012, Mr Tan Kim Hock sold his interest in the first appellant to Madam Siah Siu Eng and her family. After this transfer, the respondent's 'dodol' products continued to be sold by the first appellant. D

[11] In November 2013, the respondent stopped distributing its 'dodol' products to the first appellant and subsequently found that the 'dodol' products, which were not its 'dodol' products but bearing similar trademarks, were still being sold by the first appellant. E

[12] The respondent also raised its concerns that its 'dodol' products are 'halal certified' and there was the issue of whether the 'dodol' products bearing a confusingly similar trademark being sold by the first appellant (which were also described as 'halal') were actually 'halal certified'. The respondent's concern was that if the same were not actually 'halal certified', it would jeopardise the respondent's reputation. F G

[13] By way of an ex parte originating summons dated 26 May 2014, the respondent applied for a trade description order ('TDO') under sub-ss 9(1) and (2) of the Trade Description Act 2011 ('Act 730') that the durian dodol, coconut dodol and coconut biscuits ('dodol products') bearing the trademark in the shape of a 'T' containing a red and white coconut tree which is a stylised letter in the middle of the coconut tree consists of a logo 'S', on its packaging, which is confusingly similar to the respondent's trademark, to be declared as a false trademark. H

[14] The TDO was granted on 4 June 2014. Pursuant to the TDO, a raid on the first appellant's premises was carried out by Kementerian Dalam Negeri, Koperasi dan Kepenggunaan on 15 October 2014. I

[15] On 11 November 2014, the appellants filed an application for leave to

A intervene and to set aside the TDO. The respondent did not object to the said leave application.

[16] After hearing the setting aside application, the learned High Court judge dismissed the same and on appeal to the Court of Appeal that decision was affirmed.

[17] In the High Court, the issues canvassed by the appellants in making the application to set aside the TDO were as follows:

C (a) that the registered trademark No M/72924 had been abandoned by the respondent as a result of non-use;

(b) that both the appellants and the respondent were co-owners or alternatively concurrent users of the mark;

D (c) that there had been a failure by the respondent to make full and frank disclosure in making the ex parte application for the TDO; and

(d) that the obtaining of the TDO by way of an ex parte application was an abuse of the court process as it was for a collateral purpose and therefore ultra vires s 9 of Act 730.

E

[18] None of the issues raised above found favour with the learned High Court judge.

F **[19]** The same issues were regurgitated before the Court of Appeal, and that too failed. The appeal was dismissed.

[20] The appellants were given leave to appeal to this court on the following questions of law:

G

(1) whether it is intended by s 9 of the Trade Descriptions Act 2011 (Act 730) for a trade description order to be obtained on an ex parte basis when the consequence of the order is to immediately criminalise the alleged conduct of the defendant without him being heard?

H (2) whether a trade description order could be applied for and obtained on an ex parte basis under s 9 of Trade Descriptions Act 2011 (Act 730) when the said section does not stipulate that it may be so obtained but instead declares that the order is to be regarded as conclusive proof of a false trade description?

I

(3) whether s 9 of the Trade Descriptions Act 2011 (Act 730) is confined in scope to infringing trademarks and not power conferred on the High Court to determine if the defendant's goods are genuine or an imitation?

(4) whether it is permissible under s 9 of the Trade Descriptions Act 2011

(Act 730) for the plaintiff to obtain a declaration or a declaration ex parte that the goods sold by the defendant are imitation goods?

(5) whether s 9 of the Trade Descriptions Act 2011 (Act 730) is applicable to enforce a registered trademark that has admittedly fallen into non-use for a lengthy period or deemed abandoned?

(6) whether s 9 of the Trade Descriptions Act 2011 (Act 730) can be invoked when the marks complained of are common law marks and the subject of concurrent use by both parties? and

(7) whether s 9 of the Trade Descriptions Act 2011 (Act 730) is intended to override the statutory defences under the Trade Marks Act 1976 ('Act 175'), namely, ss 40(1)(a), (c), (dd), (f), 46(1)(a), (b), (4) and s 82 of Act 175.

[21] Arising from the seven questions of law originally posed, learned counsel for the appellants narrowed his arguments to only the following four questions for determination by this court. They are as follows:

(1) whether a TDO could be applied for on an ex parte basis under s 9 given the criminal consequences imposed by the order?

(2) whether s 9 empowers the High Court to determine and declare goods as imitation goods whether on an ex parte basis or at all?

(3) whether s 9 applies to enforce a registered trademark that had admittedly not been in use for a long period or abandoned in its use? and

(4) whether s 9 would be invoked when the unregistered trademarks are common law marks and subject to concurrent use by both parties?

THE APPELLANTS' SUBMISSION

[22] Learned counsel for the appellants submitted that s 9 of Act 730 does not state that a TDO can be applied ex parte. The general legislative practice in drafting is for the statutory provision or subsidiary legislation to specifically state that an application can be made ex parte if it is so intended. Order 29 r (2) of the Rules of Court 2012 on urgent ex parte injunctions and O 52 r 3(2) of the same on applications for leave to commence contempt proceedings were cited as examples of such provisions.

[23] As regard primary legislation, such legislative practice of stating in the provision itself whether an ex parte order may be applied for and obtained from the court can be seen in s 94 of the Street and Drainage and Building Act 1974, s 139 of the Capital Markets and Services Act 2007 and s 10(2) of the Sedition Act 1948, to quote a few.

[24] It was further submitted that Act 730 falls into the category of a penal statute and a TDO obtained under s 9 imposes criminal liability under s 5 of the same. A TDO has the effect of creating an offence and by the conclusive proof declaration under s 9(4) it also criminalises a trader who holds a mark which is declared ex parte as a false trade description. It is against all norms of criminal justice that an ex parte order carrying criminal liability should ever be imposed on a person affected without him bein.g given notice of or being heard in the proceedings. The appellants in the instant case had been denied justice by the ex parte application made by the respondent.

[25] In essence, it was submitted that the practice that has developed and currently practised in the market among stake holders to apply for a TDO on an ex parte basis and the current reading of s 9 of Act 730 as impliedly authorising ex parte application for a TDO is unjustified, wrong in law and against all norms of justice.

[26] Section 9 of Act 730 according to learned counsel only empowers the court to determine whether the trade description by the use of the mark is false. It does not empower the court to determine if the goods are imitation goods or an imitation of the goods of the respondent. The declaration by the learned High Court judge that the goods 'diisytiharkan sebagai satu produk tiruan' was therefore made without jurisdiction and is a nullity.

[27] On the issue of abandonment, it was submitted that s 9 of Act 730 postulates a continued use of the registered trademark in the owner's trade or business. The respondent in this case had admitted it had not used the mark before the application for TDO was made. The trademark is deemed to have been abandoned because of non-use and as such the respondent cannot invoke the provisions of s 9 of Act 730. It was further submitted that s 23(2) of the Trade Marks Act 1976 has no application.

[28] The appellants further submitted that until the dispute between the parties arose, there was concurrent use of two unregistered trademarks by them and this was never disclosed by the respondent in its ex parte application for the TDO. Similarly, on the issue of abandonment/non-use, the respondent had also failed to make a full disclosure, thus breaching its duty to make full and frank disclosure in making the ex parte application.

THE RESPONDENT'S SUBMISSION

[29] Act 730 is a piece of legislation aimed at combating the problems and the menace of counterfeit goods in the market. The need for immediate action and speedy procedures to curb such menace is self explanatory. An ex parte application for a TDO under s 9 is a perfect mechanism towards achieving the

very purpose of the legislation. Bearing in mind the intent and purpose of the legislation, one cannot ignore and escape from the reality that in granting an order under s 9, the court has to declare and make a finding as to the status of the goods: whether it is genuine or otherwise. An order under s 9 declaring the infringing mark as a false trade description is always, if not only, applied for when it is sought to stop an infringing mark from being used in respect of a person's goods or products. The mark relates to the goods or products. It must relate to the genuineness of those goods or products.

[30] Both the High Court and the Court of Appeal had found that there was neither non-use nor abandonment of the registered mark No M/72924. As such it was contended that the question posed is a hypothetical question and need not be answered by this court. The respondent further contended that the courts below were right in holding that the provision of s 23(2) of the Trade Marks Act 1976 was applicable.

[31] The respondent also submitted that the question posed on the issue of concurrent use by both parties is of no consequence and is irrelevant. The question posed merits no consideration. It was an undisputed fact before the learned High Court judge that the ownership of the unregistered trademarks is the subject matter of another suit between the parties and is therefore irrelevant to the issue on the usage of the registered trademark No M/72924. Likewise, the Court of Appeal too held a similar view. The issue of non-disclosure raised before this court relates to the non-disclosure of the concurrent or common usage of the said unregistered trademark, which in the submission of the respondent's counsel has no relevance in the instant appeal.

OUR DECISION

Whether a TDO can be applied for on an ex parte application under s 9(1) given the criminal consequences imposed by the order

[32] The answer to the question posed to this court turns on a question of statutory interpretation of s 9(1) of Act 730 which reads as follows:

> 9 Trade description order
>
> (1) Where any person being a registered owner of a registered trade mark under the Trade Marks Act 1976 claim that his rights in respect of such trade mark are being infringed in the course of trade, by any other mark or get-up used by any other person, which is not identical with his registered trade mark but can be passed off as his registered trade mark, he may apply to the High Court to declare that the infringing mark is a false trade description for the purpose of section 8.

[33] Section 9(1) of Act 730 does not state explicitly whether an application so made to the court may be by way of an ex parte application or otherwise. The

A section merely provides 'may apply to the court', thus giving a discretion entirely to the court.

[34] Abdul Aziz Mohamad J (as he then was) in *In-Comix Food Industries Sdn Bhd v A Clouet & Co (KL) Sdn Bhd* [1997] 4 MLJ 71 had referred to the Trade Descriptions Act 1970, a predecessor to Act 730, as being penal in nature that belongs to the realm of criminal law. As such it was submitted by learned counsel for the appellants that s 9 must be interpreted strictly as it is an instrument used to deprive a person of his rights to property. Justice requires that a person so deprived must be afforded the right and opportunity to be heard. An ex parte application such as in the instant case had denied the appellants of such right.

[35] In interpreting the said provision, we were urged to rectify the omission by the Legislature in the enactment of s 9(1). Learned counsel referred to the case of *Cooper v The Board of Works for the Wandsworth District* (1863) 143 ER 414 wherein Byles J made an observation that although there may be no positive words in a statute requiring that the party shall be heard, yet the justice of the common law will supply the omission of the Legislature.

[36] We were further reminded of the observation made by Barwick CJ in *Twist v Randwick Municipal Council* (1976) 136 CLR 106 on the power of the court to supplement a legislation. In the aforesaid case, the Australian High Court stated at pp 109–110 as follows:

> The common law rule that a statutory authority having power to affect the rights of a person is bound to hear him before exercising the power is both fundamental and universal ... But the Legislature may displace the rule and provide for the exercise of such a power without any opportunity being afforded the affected person to oppose its exercise. However, if that is the legislative intention it must be made unambiguously clear. In the event that the legislation does not clearly preclude such a course, the court will, as it were, itself supplement the legislation by insisting that the statutory powers are to be exercised only after an appropriate opportunity has been afforded the subject whose person or property is the subject of the exercise of the statutory power. But if the legislation has made provision for that opportunity to be given to the subject before his person or property is so affected, the court will not be warranted in supplementing the legislation ...

[37] There are always two sides of a coin. While the appellants may view Act 730 as a piece of legislation which affects his rights to use the trademark, the respondent may on the other hand contend that Act 730 must be seen to be much more than that. It not only protects the interest of the lawful or legal owners of trademarks, but also provides a machinery for the enforcement of the law on trademarks which is aimed at combating and eradicating the problem of

imitation or counterfeit goods. The purpose for which Act 730 is enacted and the intent of Parliament in so enacting must be given paramount consideration by the courts when interpreting it.

[38] In this regard, it is opportune to reiterate what Denning LJ had remarked in *Seaford Court Estates Ltd v Asher* [1949] 2 KB 481 at p 499:

> It would certainly save the judges trouble if Acts of Parliament were drafted with divine prescience and perfect clarity. In the absence of it, when a defect appears a judge cannot simply fold his hands and blame the draftsman. He must set to work on the constructive task of finding the intention of Parliament, and he must do this not only from the language of the statute, but also from a consideration of the social conditions which gave rise to it, and of the mischief which it was passed to remedy, and then he must supplement the written word so as to give 'force and life' to the intention of the Legislature. That was clearly laid down by the resolution of the judges in *Heydon*'s case (1), and it is the safest guide to-day. Good practical advice on the subject was given about the same time by Plowden in his second volume *Eyston v Studd* (2). Put into homely metaphor it is this: A judge should ask himself the question: If the makers of the Act had themselves come across this ruck in the texture of it, how would they have straightened it out? He must then do as they would have done. A judge must not alter the material of which it is woven, but he can and should iron out the creases.

[39] A TDO is a declaration that the infringing trademark or get-up is for the purpose of the Act 730 a false trade description in its application to the goods that are specified in the order. Ramly Ali J (as he then was) had referred to such an order as a quasi-criminal type of relief made available to owners of registered trademarks in order to seek for an immediate relief from the courts. In *LB Confectionery Sdn Bhd v QAF Ltd; Perbadanan Harta Intelek Malaysia (interested party) & another case* [2008] 10 CLJ 264, His Lordship stated:

> The TDO is a quasi-criminal type of relief made available through the TDA whereby registered owners of registered trademarks may seek to immediately prevent their registered trademark from further infringement by getting the court to declare an infringing mark as a false trade description. *Its purpose is for the speedy prevention of further damage that may be caused by the presence of the product carrying the false trade description being in the market*. The enforcement of this order is done not by the applicant but by raids conducted by officers from the Enforcement Division of the Ministry of Domestic Trade and Consumers Affairs to seize the products bearing the false trade description. Such relief benefits not only the applicants but also the public at large from being deceived further by the product carrying the false trade description. (Emphasis added.)

[40] In this instance, it bears some merit for us to refer to the observations made by Isaacs J. In the Australian case of *Thomas A Edison Limited v Bullock* [1912] 15 CLR 679 on the necessity of ex parte application in certain instances. At p 681 of the report, the learned judge stated:

> There is a primary precept governing the administration of justice, that no man is to be condemned unheard; and therefore, as a general rule, no order should be made to the prejudice of a party unless he has the opportunity of being heard in defence. *But instances occur where justice could not be done unless the subject matter of the suit were preserved, and, if that is in danger of destruction by one party, or if irremediable or serious damage be imminent, the other may come to the Court and ask for its interposition even in the absence of his opponent, on the ground that delay would involve greater injustice than instant* action. But when he does so, and the Court is asked to disregard the usual requirement of hearing the other side, the party moving incurs a most serious responsibility. (Emphasis added.)

[41] For a meaningful and effective use of a TDO, obtaining it swiftly and characterised with some elements of surprise is an essential ingredient. Hence, an ex parte application would be the most suitable and appropriate. Having obtained the order is not the end of the matter. An owner who obtained a TDO has to go to the relevant enforcement agency, namely the Enforcement Division of the Domestic Trade and Consumer Affairs Ministry to move the machinery of the criminal law under the other provisions of Act 730.

[42] Besides being evidentiary, a TDO in a sense, creates an offence. Until a TDO is made, there would have been no evidence on which to prosecute a case for an infringement. Without the same too, it would virtually be impossible for the authorities to identify and seize the imitation goods. Unless a TDO is obtained swiftly through the mechanics of an ex parte application any effort to curtail the problem of imitation goods flooding the market would be seriously hampered.

[43] In moving the Rang Undang-Undang Perihal Dagangan 1972 to replace the Merchandise Marks Ordinance 1950 (Ordinance 10 of 1950), the then Minister of Trade and Industries, Tuan Muhamad Khir Johari had informed the August House:

> usaha-usaha untok menangkap peniaga-peniaga yang churang yang mengamalkan amalan-amalan yang tidak adil dalam perniagaan mereka telah menjadi sukar dan memakan masa yang lama.
>
> Dengan hasrat untok melindongi pengguna-pengguna daripada peniaga-peniaga yang tidak bertimbang rasa saperti itu, Kerajaan telah membuat keputusan untok mengadakan satu undang-undang yang akan memberi perlindongan bukan sahaja kepada pengguna-pengguna malahan juga kepada peniaga-peniaga yang jujor daripada amalan-amalan dagangan yang churang.

[44] The new bill seeks to remove that impediment with the aim of giving better protection to traders and consumers alike. The Trade Descriptions Act 1972 was later replaced by the current Act 730.

[45] Section 9(1) of Act 730 merely provides that any person 'may apply to the High Court ...'. Supplementing the words 'ex parte' into the provision would certainly achieve the very purpose for the enactment of the provision and satisfy the mischief which the provision seeks to overcome. It is also in accord with the provisions of s 17A of the Interpretation Acts 1948 and 1967 on the purposive approach of interpretation. To borrow the words of Denning LJ in the *Seaford Court Estates* case, it is to give 'force and life' to the intention of the Legislature.

[46] In his book, the *Discipline of Law*, Lexis Nexis Butterworths, Indian Reprint at p 16, Lord Denning had penned the following on the purposive approach of interpretation:

> The literal method is now completely out of date. It has been replaced by the approach which Lord Diplock described as the 'purposive approach' ... In all cases now in the interpretation of statutes we adopt such a construction as will 'promote the general legislative purpose' underlying the provision. It is no longer necessary for the judges to wring their hands and say: 'There is nothing we can do about it'. Whenever the strict interpretation of a statute gives rise to an absurd and unjust situation, the judges can and should use their good sense to remedy it — by reading words in, if necessary — so as to do what Parliament would have done, had they had the situation in mind.

[47] When faced with a choice of interpretations, the following observation by Viscount Simon LC in the House of Lords case of *Nokes v Doncaster Amalgamated Collieries Ltd* [1940] AC 1014 at p 1022 is relevant:

> If the choice is between two interpretations the narrower of which would fail to achieve the manifest purpose of the legislation, we should avoid a construction which would reduce the legislation to futility and should rather accept the bolder construction based on the view that Parliament would legislate only for the purpose of bringing about an effective result.

[48] It is our considered view that giving a narrower interpretation to s 9(1) of Act 730 will frustrate the mischief for which it was enacted.

[49] Lest we may be misunderstood, it must be reiterated that judges must give effect to the intention of Parliament in enacting legislation and that is better done by filling in the gaps and thus making sense in the legislation. Quoting the words of Donaldson J in *Corocraft Ltd and another v Pan American Airways Inc* [1968] 2 All ER 1059 at p 1071:

> The duty of the courts is to ascertain and give effect to the will of Parliament as expressed in its enactments. In the performance of this duty the judge do not act as computers into which are fed the statue and the rules for the construction of statues and from whom issues forth the mathematically correct answer. The interpretation of statues is a craft as much as a science and the judges, as craftsmen, select and apply

A the appropriate rules as the tools of their trade. They are not legislators, but finishers, refiners and polishers of legislation which comes to them in a state requiring varying degrees of further processing.

B **[50]** Reiterating the same, Seah SCJ in *NKM Holdings Sdn Bhd v Pan Malaysia Wood Bhd* [1987] 1 MLJ 39 at p 40 made the following reminder on the role of judges:

C It must be borne in mind that we are judges not legislators. The constitutional function of the courts is not only to interpret but also to enforce the laws enacted by Parliament. In enforcing the law we must be the first to obey it. It should be noted that the power of a court to proceed in a particular course of administering justice, was one of substance and not merely of form, The duty of the court and its only duty, is to expound the language of the Act in accordance with the settled rules of construction. The court has nothing to do with the policy of any Act which it may be called upon to interpret. That may be a matter for private judgement. It seems to us to be unwise as it is unprofitable to cavil at the policy of an Act of Parliament, or to pass a covert censure on the Legislature (see Lord Chelmsford in *A v Hughes* (1) and Lord Macnagthen in *Vacher & Sons v London Society of Compositors* (2)).

E **[51]** We are always mindful that it is our bounden duty to apply the laws as passed by Parliament however archaic and unfair it might seem or appear to be. The duty of making or changing the law lies with Parliament and not the courts.

F **[52]** This court had, in *Socooil Corporation Bhd v Ng Foo Chong & Anor* [1981] 2 MLJ 7 while speaking on s 16(1) of the Trade Descriptions Act 1972 stated that, neither s 16(1) nor any other sections of the Act requires the hearing to be inter partes. Section 16 of the Trade Descriptions Act 1972 is the predecessor to s 9 of Act 730.

G **[53]** The respondents in *Socooil Corporation Bhd* applied ex parte for an order pursuant to s 16(1) of the Trade Descriptions Act 1972 which reads as follows:

H 16(1) Where any person being a proprietor or registered user of a registered trade mark within the meaning of any written law relating to trade marks or being otherwise entitled at law to the protection of a trade or other mark or a get-up for any goods or services established —

(a) in the case of a registered trade mark, that his rights in respect of such trade mark are being infringed in the course of trade within the meaning of the written law; or

I (b) in the case of a trade or other mark or get-up for any goods or services, that his rights in respect of such trade or other mark or get-up are being infringed in the course or trade as a result of which he has a right of action for passing off,

the High Court may on the application of such person make an order declaring that the infringing trade or other mark or get-up as the case may be is for purpose of this Act a false trade description in its application to such goods as may be in the order.

[54] Subsequently by a notice of motion, the appellant in that case claiming to have a proprietary interest in the said trademark applied to discharge the said ex parte order. It was the appellant's contention that the learned High Court judge ought not to have exercised the summary power under s 16(1) as the said section was meant for plain and obvious cases where there would be no challenge to the right, title and registration of the trademark. The learned High Court judge dismissed the appellant's application to discharge the said ex parte order.

[55] On appeal to the Federal Court, Lee Hun Hoe CJ (Borneo) in dismissing the appellant's appeal said:

> The learned judge accepted the submission of the respondents that under the above section any person having a registered trademark who can show that his rights in such trademark are being infringed in the course of trade may apply to the High Court for an order declaring that the infringing trademark is a false trade description in its application to such goods as may be specified in the order. In other words, a person seeking to obtain an order under the said section need to show two things namely:
>
> (a) that he is the proprietor of a registered trademark, and
>
> (b) that some other person in infringing that registered trademark in the course of trade.
>
> ... The learned judge was apparently satisfied on the evidence that respondents had established the two things under s 16 when he made the order. Appellants had failed to show why respondents are not entitled to protection under s 16.
>
> ... *Also, there is nothing requiring respondents to serve any paper on any affected person. Further, neither s 16 nor any other section requires the hearing to be inter partes*. Of course, the court may, in the exercise of their inherent jurisdiction, direct the papers to be served on an interested or affected party. (Emphasis added.)

[56] The appellant also failed to discharge the said ex parte order on a further appeal to the Privy Council.

[57] As submitted by learned counsel for the appellants, the practice that has developed among practitioners in an application for a TDO under s 9 of Act 730 has been by way of an ex parte application (see: *In-Comix Food Industries Sdn Bhd v A Clouet & Co (KL) Sdn Bhd*, *NV Sumatra Tobacco Trading Co v PT Sampoerna JL Sdn Bhd* [1997] 3 CLJ 946, *Hu Kim Ai (trading as Geneve Timepiece) & Anor v Liew Yew Thoong (trading as Crystal Hour)* [2004] 7 MLJ 590 and *Tohtonku Sdn Bhd v Superace (M) Sdn Bhd* [1989] 2 MLJ 298).

[58] We do not see anything wrong or illegal in such practice. It is permissible in law.

[59] An ex parte order can always be set aside and a court is not functus officio to review a TDO obtained ex parte although perfected. The right of an affected person to apply to set aside an ex parte TDO is a right which exists over and above the other civil remedies available to him. That is exactly what the appellants did in this case. In the High Court below, they applied to intervene and to set aside the ex parte TDO.

[60] In *Majuperak Tepung Beras Sdn Bhd v Tiga Gajah Cho Heng Sdn Bhd* [2001] 3 MLJ 508 the respondent owner of a trademark had obtained a TDO ex parte. The appellant applied to set aside the said order and also applied to have the Register of Trade Marks rectified. It failed in both, and appealed to the Court of Appeal. The appellant contended that the ex parte TDO obtained by the respondent was seriously flawed because it failed to identify with sufficient precision the infringing trademark. The appeal was allowed solely for the reason that order obtained failed to identify the infringing mark with precision. Under s 16(1) of the Trade Descriptions Act 1972 the infringing trademark must be clearly and specifically identified.

[61] Similarly, in *Jetaine Corp Sdn Bhd v JC Laboratory Sdn Bhd* [2000] 7 MLJ 645; [2000] 4 CLJ 629 an application by the respondent to intervene and set aside an ex parte TDO was allowed by the High Court on the ground that there was no full and frank disclosure by the applicant in applying for the ex parte TDO.

[62] Ramly Ali J (as he then was) in *LB Confectionary Sdn Bhd* approving an ex parte TDO application therein stated:

> The above suggests that since the court can still review its grant of a TDO at a later stage, eg, by way of granting a subsequent application to set aside the same, therefore there are no reasons as to why an applicant may not elect for the application to be heard ex parte.

[63] Contrary to learned counsel's submission, we find s 9 of Act 730 is never intended or meant to be oppressive in its operation and nature. It was enacted for the protection of both the registered trademark owners as well as the consumers at large. We have earlier in this judgment referred to the speech of the then Minister of Trade and Industry when tabling the Bill in Parliament on this issue. We also disapprove counsel's suggestion that permitting an ex parte application under the said provision is draconian.

[64] In our view, the current procedure of applying for a TDO by way of an ex parte application under s 9 of Act 730 is permissible and in accord with the legislative purpose for which it was enacted.

Whether s 9 empowers the High Court to determine and declare goods as imitation goods whether on an ex parte basis or at all?

[65] In granting the TDO, the learned High Court judge also declared 'diisytiharkan sebagai satu produk tiruan', meaning that the appellants' products are imitation goods. It was submitted that s 9(1) of Act 730 has, as its objective the prohibition of the use of false trade descriptions in relation to identifiable goods sold under the infringing trademarks. It does not call for the High Court to make a determination as to whether the goods are imitation or otherwise.

[66] An application and the order sought for under s 9(1) of Act 730 is to declare that the infringing mark is a false trade description for the purpose of s 8 of the same.

[67] Section 8 of Act 730 provides as follows:

> Prohibition of false description in relation to trade mark
>
> (1) Notwithstanding section 5 and 6, a trade description shall include an indication, whether direct or indirect, and by any means given, in respect of any goods or parts of goods relating to any rights in respect of trade mark registered under the Trade Marks Act 1976 [Act 175].
>
> (2) Any person who —
>
> (a) Applies a false trade description to any goods as if the goods were subject to any rights relating to registered trade mark;
>
> (b) Supplies or offers to supply any goods to which a false trade description is applied as if the goods were subject to any rights relating to registered trade mark; or
>
> (c) Exposes for supply or has in his possession, custody or control for supply any goods to which a false trade description is applied, commits an offence and shall, on conviction, be liable —
>
> (A) If that person is a body corporate, to a fine not exceeding fifteen thousand ringgit for each goods bearing the false trade description, and for a second or subsequent offence, to a fine not exceeding thirty thousand ringgit for each goods bearing the false trade description; or
>
> (B) If that person is not a body corporate, to a fine not exceeding ten thousand ringgit for each goods bearing the false trade description or to

A imprisonment for a term not exceeding three years or to both, and for a second or subsequent offence, to a fine not exceeding twenty thousand ringgit for each goods bearing the false trade description, or to imprisonment for a term not exceeding five years or to both.

B (3) Any person who applies, supplies or offers to supply, exposes for supply or has in his possession, custody or control for supply any goods bearing an identical mark with the registered trade mark without the consent of the registered owner of the trade mark is deemed to apply supply or offer to supply goods bearing false trade description unless the contrary is proved.

C **[68]** It seems clear to us that s 9(1) is not a stand alone provision and must not be read in vacuo. 'To declare that the infringing mark is a false trade description for the purpose of section 8' as provided for in that provision permits no other interpretation except to relate it to s 8 which speaks of marks used in relation to goods.

D

[69] Sections 8(2) and (3) speak of any person applying, offering to supply, exposing for supply or having in his possession custody or control for supply any goods bearing a false trade description. It must therefore follow, as night follows day, that goods bearing a false trade description, are goods which are E not the original. Thus imitation goods.

[70] In our view when the court declares that a particular infringing mark is a false trade description, it must have reference to particular goods that bear or F use that infringing mark. Thus, stripped of its legal niceties, when a court pronounces that there is an infringement, that is in effect to declare that the goods bearing or using that mark are imitation goods.

[71] Learned counsel for the appellants submitted that goods are false or G imitation if they are not what they are represented to be. when sold to the public. The 'dodol' sold by the appellants is genuinely coconut dodol and it does not become an imitation because it is marked under a trademark of which the respondent complains. It was further submitted that it (the *dodol*) would be an imitation when it is not such or if synthetic components other than genuine H coconut flavour is used and passed off to the public as genuine or it is not coconut-based 'dodol', but in reality contains some other flavour which is not coconut flavour.

[72] We are not inclined to agree with the definition ascribed and we found I no merit in this submission. Any goods using or bearing any false trade description which is declared as an infringing trade or other mark under s 9 of Act 730 must ipso facto be imitation or counterfeit goods.

Whether s 9 applies to enforce a registered trademark that had admittedly not been in use for a long period or abandoned in its use

[73] Both the High Court and the Court of Appeal found there was no abandonment or non-use of the trademark. Any answer proffered to this question will have no impact on the position of the parties. We therefore refrain from answering the question posed.

Whether s 9 would be invoked when the unregistered trademarks are common law marks and subject to concurrent use by both parties?

[74] It is an undisputed fact that there was usage of an unregistered trademark by both the appellants and the respondent. The ownership of that unregistered trademark is the subject matter of a dispute between them in another Suit No 22IP-59–10 of 2014. The learned High Court judge had found that the issue of ownership and usage of that unregistered trademark was not relevant to the issue of the ex parte TDO before Her Ladyship.

[75] At the Court of Appeal, the conclusion arrived at by the learned High Court judge was affirmed. In so affirming, the Court of Appeal had, at paras 32 and 33 of its judgment, stated as follows:

> 32. TKH Product Centre's (the first appellant in the instant appeal) claims with respect to co-ownership concurrent use of the unregistered marks were, in our view, rightfully matters to be pursued separately, and which was now, in any case, within the scope of the dispute between the parties in the civil suit. With regard to the *saman pemula* application of TKTS Food Industry (the respondent in the instant appeal) the court was only called upon to deal with the issue of whether or not a trade description order pursuant to s 9 of the Act should be issued, subject of course it being shown to the satisfaction of the court by the proprietor of a registered trademark that there were in the market, products bearing their trademark when such products did not emanate from them at all.
>
> 33. The learned judge's conclusion on this issue was set out at para 38 of the grounds of decision and it was as follows:
>
> > [38] With regards to the ownership of the unregistered trademarks, the same is the subject matter of the Suit 221P-59–10 of 2014 and is not relevant to the issue for the TDO, as we are only dealing with a registered trademark under s 9 of Act 175. So long as there is a registered trademark the same has been infringed, this forms the basis of the TDO.
>
> We were in complete agreement with the learned judge on this score.

[76] Both the courts below did not make any determination on the issue of concurrent usage of the unregistered trademarks as the matter was still pending in another court. We therefore decline to answer the question posed.

A CONCLUSION

[77] In conclusion, our answer to both questions 1 and 2 are in the affirmative, and we decline to answer questions 3 and 4. In the upshot, the appeal is hereby dismissed and we affirm the decisions of the courts below.

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Appeal dismissed.

Reported by Afiq Mohamad Noor

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